

**SHENYIN WANGUO RMB MAINLAND INVESTMENT FUND
(A SUB-FUND OF SWS STRATEGIC INVESTMENT FUNDS)**

INTERIM REPORT (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2022

**SHENYIN WANGUO RMB MAINLAND INVESTMENT FUND
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MANAGEMENT AND ADMINISTRATION

Manager

Shenwan Hongyuan Asset Management (Asia) Limited
Level 19,
28 Hennessy Road
Hong Kong

Directors of the Manager

Guo Chun (Resigned on 29 March 2022)
Xia Mingrui
Shen Chong
Liang Jun

Trustee and Registrar

Bank of Communications Trustee Limited
1/F, Far East Consortium Building
121 Des Voeux Road Central
Hong Kong

Auditor

PricewaterhouseCoopers
22/F Prince's Building
Central
Hong Kong

Legal Adviser

Deacons
5/F, Alexandra House
18 Chater Road, Central
Hong Kong

RQFII Custodian

Bank of Communications Co., Ltd.
188 Yin Cheng Zhong Road
Shanghai 200120
The People's Republic of China

Investment Adviser

Kingdom Investment Managers Limited
12/F On Building
162 Queen's Road Central
Central Hong Kong

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REPORT OF THE MANAGER

Market Review

For the first half of 2022, deeply influenced by the coronavirus pandemic, China's economy posted relatively weak growth, China's GDP expanded 2.5 percent year-on-year in the first half of 2022, while GDP grew 0.4 percent year-on-year in the second quarter. At the same time, growth for China's Consumer Price Index, the main gauge of inflation in the first half of the year was 1.7 percentage, lower than the same period last year.

By effectively managing the intensity and pace of monetary policy tools, including MLF and LPR, the PBoC managed to keep a supply-demand balance for liquidity. In general, China's economic growth slowed down following COVID lockdowns. China will increase financial support for the real economy, particularly for micro, small and medium-sized enterprises.

In terms of yield curve, the 1, 3, 5, 7, 10, 30-year tenor key rate treasury YTM changed -29bps, -0.9bps, +4.3bps, +5.5bps, +4.5 and -3.8bps respectively.

Portfolio Review

For the first half of 2022, the Fund's total return (including dividend pay-out) was -0.53% for A (Retail) class and -0.36% for I (institutional) class. The China bond Composite Full Price Index (CBCFPI) was increased by 0.38%.

Market Outlook

We believe an upward revision of this GDP forecast is likely if retail sales rebound strongly after the relaxation of the Covid quarantine duration in the second half of 2022. However, there is still possibility of more Covid-19 lockdowns in the second half of 2022, in this case, GDP revision will be negatively affected.

We expect PBOC will maintain a prudent, flexible and targeted monetary policy in the second half of the year, given the accommodative credit conditions, sizeable bond issuance, and the PBOC's active approach to liquidity management. We believe PBOC to continue to implement more targeted monetary policies in favor of loans to the manufacturing sector.

For bond market, we note that in China's onshore bonds kept steady while other developed market government bonds showed high volatility. In our view, onshore Chinese bonds will remain a unique and valuable asset which can effectively help investors diversify portfolios.

**SHENYIN WANGUO RMB MAINLAND INVESTMENT FUND
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**STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 JUNE 2022**

	30 Jun 2022 RMB	31 Dec 2021 RMB
Assets		
Cash and cash equivalent	1,968,161	1,479,044
Financial asset at fair value through profit or loss	36,913,362	36,916,643
Interest receivable	616,955	688,983
Deposit	32,712	34,210
Dividend receivable	-	142,884
Prepayments	4,308	7,636
Amount due from brokers	115,500	-
Total assets	39,650,998	39,269,400
Liabilities		
Amount due to brokers	1,515,630	1,148
Management fee payable	25,452	27,254
Trustee fee payable	50,037	51,705
Sub-custodian fee payable	3,099	3,305
Tax payable	232,847	232,847
Other payables and accruals	99,092	193,110
Total liabilities	1,926,157	509,369
Net assets attributable to unitholders	37,724,841	38,760,031
 Net asset value (calculated in accordance with the Sub-Fund's explanatory memorandum)		
Class A	5,991,207	6,433,684
Class I	31,733,634	32,326,347
 Number of units in issue		
Class A	63,511.278	66,755.464
Class I	320,192.555	320,192.555
 Net asset value per unit (calculated in accordance with the Sub-Fund's explanatory memorandum)		
Class A	94.332	96.376
Class I	99.107	100.959

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**STATEMENT OF FINANCIAL POSITION (UNAUDITED) – CONTINUED
AS AT 30 JUNE 2022**

Dividend Paid

The interim dividend distribution for the calendar quarter ending 31 March 2022 was paid and the amount of dividend paid was RMB268,763.62.

Share Class	Currency	Dividend per Unit
Class A	RMB	RMB0.70
Class I	RMB	RMB0.70

Record date : 18 March 2022
Ex-dividend date : 21 March 2022
Payment date : 23 March 2022

The interim dividend distribution for the calendar quarter ending 30 June 2022 was paid and the amount of dividend paid was RMB268,433.35.

Share Class	Currency	Dividend per Unit
Class A	RMB	RMB0.70
Class I	RMB	RMB0.70

Record date : 21 June 2022
Ex-dividend date : 22 June 2022
Payment date : 24 June 2022

**SHENYIN WANGUO RMB MAINLAND INVESTMENT FUND
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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

	Note	For the six months ended 30 Jun 2022 RMB	For the six months ended 30 Jun 2021 RMB
Income			
Interest on bank deposit		759	6,486
Interest from financial assets at fair value through profit or loss		568,702	694,266
Net (losses)/ gains on financial assets at fair value through profit or loss		(144,303)	10,248
Net exchange losses		(5,671)	(2)
Total net income		419,487	710,998
Expenses			
Management fee		154,784	163,292
Trustee fee		301,890	301,890
Sub-custodian fee		18,969	19,798
Auditor's remuneration		124,711	91,840
Commission and brokerage fee	2	3,761	4,707
Legal and professional fees		-	2,922
Other expenses		16,352	18,831
Total operating expenses		620,467	603,280
Finance Cost			
Distribution to unitholders		(537,197)	(545,820)
Loss before tax		(738,177)	(438,102)
Taxation		15,305	32,858
Total comprehensive loss		(722,872)	(405,244)

**SHENYIN WANGUO RMB MAINLAND INVESTMENT FUND
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**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

	Class A			Class I			Total
	Number of units	Net assets attributable to unitholders RMB	Net asset value per unit RMB	Number of units	Net assets attributable to unitholders RMB	Net asset value per unit RMB	Net assets attributable to unitholders RMB
	As at 1 January 2021	72,185,638	7,144,961	98.980	320,192,555	33,009,725	103.093
Issuance of units	461.865	45,059		-	-		45,059
Redemption of units	(3,310.659)	(325,394)		-	-		(325,394)
Total comprehensive loss		(87,000)			(318,244)		(405,244)
As at 30 June 2021	69,336.844	6,777,626	97.749	320,192,555	32,691,481	102.099	39,469,107
As at 1 January 2022	66,755.464	6,433,684	96.376	320,192,555	32,326,347	100.959	38,760,031
Issuance of units	451.892	42,584		-	-		42,584
Redemption of units	(3,696.078)	(354,902)		-	-		(354,902)
Total comprehensive loss		(130,159)			(592,713)		(722,872)
As at 30 June 2022	63,511.278	5,991,207	94.332	320,192,555	31,733,634	99.107	37,724,841

**SHENYIN WANGUO RMB MAINLAND INVESTMENT FUND
(A SUB-FUND OF SWS STRATEGIC INVESTMENT FUNDS)**

**INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 30 JUNE 2022**

Investments	Holdings	Fair value RMB	% of net asset value
Listed equity securities			
China			
Will Semiconductor Co Ltd Shanghai	300	51,909	0.14
Listed investment fund			
China			
E Fund CSI 300 Health Care Index ETF	500,000	274,500	0.73
GTJA Allianz CSI All-share Semi-conductor Product and Equipment ETF	260,000	263,640	0.70
Guotai CSI National Defense ETF	120,000	140,400	0.37
Penghua CSI Alcohol ETF	453,600	423,209	1.12
		1,101,749	2.92
Debt securities			
China			
Air China Ltd	116,000	117,798	0.31
Bank of Hangzhou Co Ltd	400,000	500,720	1.33
Bank of Shanghai Co Ltd	2,500,000	2,618,500	6.94
Beijing Infrastructure Investment Co Ltd	100,000	100,170	0.27
Chengdu Jinniu City Development Investment Management Group Co Ltd	1,000	1,015	0.00
China CITIC Bank Corp Ltd	1,000,000	1,086,300	2.88
China Development Bank 3.87% 08/01/23	2,000,000	2,039,060	5.41
China Development Bank 4.59% 08/01/38	1,331,000	1,537,105	4.07
China Development Bank 5.85% 04/15/29	908,000	1,082,953	2.87
China Electronics Corp	558,000	592,540	1.57
China Everbright Bank Co Ltd	400,000	423,000	1.12
China Galaxy Securities Co Ltd	1,000	1,200	0.00
China National Bluestar Group Co Ltd	430,000	483,707	1.28
China National Petroleum Corp 1% 07/13/22	2,000,000	2,098,020	5.56
China National Petroleum Corp 1.4% 02/01/23	1,370,000	1,429,253	3.79
China Three Gorges Corp	29,000	32,492	0.09
CRRC Group Co Ltd	532,000	534,660	1.42
Daqin Railway Co Ltd	1,000,000	1,087,900	2.88
Fujian Jinjiang Industrial Zone Development Construction Co Ltd	317,000	319,156	0.85
Guangdong Environmental Protection Group Co Ltd	800,000	818,240	2.17
Guangdong Giant Leap Construction Co Ltd	2,900,000	2,708,600	7.18
Guangzhou Finance Holdings Group Co Ltd	1,000,000	1,032,158	2.74

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Investments	Holdings	Fair value RMB	% of net asset value
Debt securities (continued)			
China			
Huatai Securities Co Ltd	2,000,000	2,044,400	5.42
Huzhou City Investment Development Group Co Ltd	84,000	84,168	0.22
Jinan West City Investment & Development Group Co Ltd	551,000	566,428	1.50
Lepu Medical Technology Beijing Co Ltd	385,800	438,550	1.16
Monalisa Group Co Ltd	900,400	1,055,610	2.80
Nanjing Jiangning Economic Technology Development Group Co Ltd	5,247,000	1,676,417	4.44
Qingdao Jiaozhou Urban Development & Investment Co Ltd	147,000	149,058	0.40
Shenzhen Metro Group Co Ltd	2,723,000	417,300	1.11
Sino-Ocean Holding Group China Ltd	3,000,000	2,925,000	7.75
State Power Investment Corp Ltd	1,000,000	1,021,000	2.71
Tianfeng Securities Co Ltd	1,000,000	1,007,500	2.67
Tongxiang Zhendong New District Construction Investment Co Ltd	212,000	205,640	0.55
Weihai City Shuangdao Bay Development Investment Co Ltd	378,000	154,980	0.41
Yinhua CSI Infrastructure ETF	110,000	113,630	0.30
Youzu Interactive Co Ltd	500,000	552,535	1.46
Zhebao Media Holding Group Co Ltd	94,000	96,538	0.26
Zhoushan City Investment Group Co Ltd	136,000	85,503	0.23
Zhuhai Huafa Investment Holding Group Co Ltd	1,000,000	1,005,300	2.66
		34,244,104	90.77
Money market fund			
China			
Yinhua Traded Money Market Fund	15,000	1,515,600	4.02
		36,913,362	97.85
Total investment portfolio, at fair value		811,479	2.15
Other net assets		37,724,841	100
Net asset value as at 30 June 2022 (calculated in accordance with the Sub-Fund's explanatory memorandum)		37,724,841	100
Total investments, at cost		37,089,072	

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**STATEMENT OF MOVEMENT IN PORTFOLIO HOLDINGS (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

	% holdings of net assets as at 30 June 2022	% holdings of net assets as at 31 December 2021
People's Republic of China		
Listed equity securities	0.14	0.56
Listed investment fund	2.92	3.59
RMB-denominated debt securities	90.77	89.80
Money market fund	4.02	1.29
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Total investment portfolio	97.85	95.24
Other net assets	2.15	4.76
	<hr/>	<hr/>
Net assets	100	100
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

1. Basis of preparation

The accounting policies adopted in preparing the unaudited interim reports for the six months ended 30 June 2022 are consistent with those adopted in the financial statements of the Sub-Fund for the year ended 31 December 2021.

In preparing the interim financial statements, the Management of the Sub-Fund assesses the Sub-Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Sub-Fund or to cease operations, or have no realistic alternative but to do so.

2. Investment transactions cost paid to connected persons of the Manager

	Total commission paid RMB
For the six months ended 30 Jun 2022	
Shenwan Hongyuan Securities Co., Ltd.	3,444
For the six months ended 30 Jun 2021	
Shenwan Hongyuan Securities Co., Ltd.	4,707